

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Film Production Services Tax Credit Act is
5 amended by changing Sections 10, 40, 45, and 90 as follows:

6 (35 ILCS 15/10)

7 (Section scheduled to be repealed on January 1, 2007)

8 Sec. 10. Definitions. As used in this Act:

9 "Accredited production" means: (i) for productions
10 commencing before May 1, 2006, a film, video, or television
11 production that has been certified by the Department in which
12 the aggregate Illinois labor expenditures included in the cost
13 of the production, in the period that ends 12 months after the
14 time principal filming or taping of the production began,
15 exceed \$100,000 for productions of 30 minutes or longer, or
16 \$50,000 for productions of less than 30 minutes; and (ii) for
17 productions commencing on or after May 1, 2006, a film, video,
18 or television production that has been certified by the
19 Department in which the Illinois production spending included
20 in the cost of production in the period that ends 12 months
21 after the time principal filming or taping of the production
22 began exceeds \$100,000 for productions of 30 minutes or longer
23 or exceeds \$50,000 for productions of less than 30 minutes.

24 "Accredited production" ~~but~~ does not include a production that:

25 (1) is news, current events, or public programming, or
26 a program that includes weather or market reports;

27 (2) is a talk show;

28 (3) is a production in respect of a game,
29 questionnaire, or contest;

30 (4) is a sports event or activity;

31 (5) is a gala presentation or awards show;

32 (6) is a finished production that solicits funds;

1 (7) is a production produced by a film production
2 company if records, as required by 18 U.S.C. 2257, are to
3 be maintained by that film production company with respect
4 to any performer portrayed in that single media or
5 multimedia program; or

6 (8) is a production produced primarily for industrial,
7 corporate, or institutional purposes.

8 "Accredited production certificate" means a certificate
9 issued by the Department certifying that the production is an
10 accredited production that meets the guidelines of this Act.

11 "Applicant" means a taxpayer that is a film production
12 company that is operating or has operated an accredited
13 production located within the State of Illinois and that (i)
14 owns the copyright in the accredited production throughout the
15 Illinois production period or (ii) has contracted directly with
16 the owner of the copyright in the accredited production or a
17 person acting on behalf of the owner to provide services for
18 the production, where the owner of the copyright is not an
19 eligible production corporation.

20 "Credit" means:

21 (1) for an accredited production approved by the
22 Department on or before January 1, 2005 and commencing
23 before May 1, 2006, the amount equal to 25% of the Illinois
24 labor expenditure approved by the Department. The
25 applicant is deemed to have paid, on its balance due day
26 for the year, an amount equal to 25% of its qualified
27 Illinois labor expenditure for the tax year. For Illinois
28 labor expenditures generated by the employment of
29 residents of geographic areas of high poverty or high
30 unemployment, as determined by the Department, in an
31 accredited production commencing before May 1, 2006 and
32 approved by the Department after January 1, 2005, the
33 applicant shall receive an enhanced credit of 10% in
34 addition to the 25% credit; ~~and~~

35 (2) for an accredited production commencing on or after
36 May 1, 2006, the amount equal to:

1 (i) 20% of the Illinois production spending for the
2 taxable year; plus

3 (ii) 15% of the Illinois labor expenditures
4 generated by the employment of residents of geographic
5 areas of high poverty or high unemployment, as
6 determined by the Department.

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of Commerce and Economic
10 Opportunity.

11 "Illinois labor expenditure" means salary or wages paid to
12 employees of the applicant for services on the accredited
13 production;

14 To qualify as an Illinois labor expenditure, the
15 expenditure must be:

16 (1) Reasonable in the circumstances.

17 (2) Included in the federal income tax basis of the
18 property.

19 (3) Incurred by the applicant for services on or after
20 January 1, 2004.

21 (4) Incurred for the production stages of the
22 accredited production, from the final script stage to the
23 end of the post-production stage.

24 (5) Limited to the first \$25,000 of wages paid or
25 incurred to each employee of a the production commencing
26 before May 1, 2006 and the first \$100,000 of wages paid or
27 incurred to each employee of a production commencing on or
28 after May 1, 2006.

29 (6) For a production commencing before May 1, 2006,
30 exclusive ~~Exclusive~~ of the salary or wages paid to or
31 incurred for the 2 highest paid employees of the
32 production.

33 (7) Directly attributable to the accredited
34 production.

35 (8) Paid in the tax year for which the applicant is
36 claiming the credit or no later than 60 days after the end

1 of the tax year.

2 (9) Paid to persons resident in Illinois at the time
3 the payments were made.

4 (10) Paid for services rendered in Illinois.

5 "Illinois production spending" means the expenses incurred
6 by the applicant for an accredited production, including,
7 without limitation, all of the following:

8 (1) expenses to purchase, from vendors within
9 Illinois, tangible personal property that is used in the
10 accredited production;

11 (2) expenses to acquire services, from vendors in
12 Illinois, for film production, editing, or processing; and

13 (3) the compensation, not to exceed \$100,000 for any
14 one employee, for contractual or salaried employees who are
15 Illinois residents performing services with respect to the
16 accredited production.

17 "Qualified production facility" means stage facilities in
18 the State in which television shows and films are or are
19 intended to be regularly produced and that contain at least one
20 sound stage of at least 15,000 square feet.

21 (Source: P.A. 93-543, eff. 1-1-04; 94-171, eff. 7-11-05.)

22 (35 ILCS 15/40)

23 (Section scheduled to be repealed on January 1, 2007)

24 Sec. 40. Amount and duration of the credit. The amount of
25 the credit awarded under this Act is based on the amount of the
26 Illinois labor expenditure and Illinois production spending
27 approved by the Department for the production as set forth
28 under Section 10. The duration of the credit may not exceed one
29 taxable year.

30 (Source: P.A. 93-543, eff. 1-1-04.)

31 (35 ILCS 15/45)

32 (Section scheduled to be repealed on January 1, 2007)

33 Sec. 45. Evaluation of tax credit program; reports to the
34 General Assembly.

1 (a) The Department shall evaluate the tax credit program.
2 The evaluation must include an assessment of the effectiveness
3 of the program in creating and retaining new jobs in Illinois
4 and of the revenue impact of the program, and may include a
5 review of the practices and experiences of other states or
6 nations with similar programs. Upon completion of this
7 evaluation, the Department shall determine the overall success
8 of the program, and may make a recommendation to extend,
9 modify, or not extend the program based on this evaluation.

10 (b) At the end of each fiscal quarter, the Department must
11 submit to the General Assembly a report that includes, without
12 limitation, the following information:

13 (1) the economic impact of the tax credit program,
14 including the number of jobs created and retained,
15 including whether the job positions are entry level,
16 management, talent-related, vendor-related, or
17 production-related;

18 (2) the amount of film production spending brought to
19 Illinois, including the amount of spending and type of
20 Illinois vendors hired in connection with an accredited
21 production; and

22 (3) an overall picture of whether the human
23 infrastructure of the motion picture industry in Illinois
24 reflects the geographical, racial and ethnic, gender, and
25 income-level diversity of the State of Illinois.

26 (c) At the end of each fiscal year, the Department must
27 submit to the General Assembly a report that includes, without
28 limitation, the following information:

29 (1) an identification of each vendor that provided
30 goods or services that were included in an accredited
31 production's Illinois production spending;

32 (2) the amount paid to each identified vendor by the
33 accredited production;

34 (3) for each identified vendor, a statement as to
35 whether the vendor is a minority owned business or a female
36 owned business, as defined under Section 2 of the Business

1 Enterprise for Minorities, Females, and Persons with
2 Disabilities Act; and

3 (4) a description of any steps taken by the Department
4 to encourage accredited productions to use vendors who are
5 a minority owned business or a female owned business.

6 (Source: P.A. 93-543, eff. 1-1-04; 94-171, eff. 7-11-05.)

7 (35 ILCS 15/90)

8 (Section scheduled to be repealed on January 1, 2007)

9 Sec. 90. Repeal. This Act is repealed on January 1, 2008
10 2007.

11 (Source: P.A. 93-543, eff. 1-1-04; 93-840, eff. 7-30-04;
12 94-171, eff. 7-11-05.)

13 Section 10. The Energy Assistance Act is amended by
14 changing Section 13 and by adding Section 17 as follows:

15 (305 ILCS 20/13)

16 Sec. 13. Supplemental Low-Income Energy Assistance Fund.

17 (a) The Supplemental Low-Income Energy Assistance Fund is
18 hereby created as a special fund in the State Treasury. The
19 Supplemental Low-Income Energy Assistance Fund is authorized
20 to receive moneys from voluntary donations from individuals,
21 foundations, corporations, and other sources, moneys received
22 pursuant to Section 17, and, by statutory deposit, the moneys
23 collected pursuant to this Section. Subject to appropriation,
24 the Department shall use moneys from the Supplemental
25 Low-Income Energy Assistance Fund for payments to electric or
26 gas public utilities, municipal electric or gas utilities, and
27 electric cooperatives on behalf of their customers who are
28 participants in the program authorized by Section 4 of this
29 Act, for the provision of weatherization services and for
30 administration of the Supplemental Low-Income Energy
31 Assistance Fund. The yearly expenditures for weatherization
32 may not exceed 10% of the amount collected during the year
33 pursuant to this Section. The yearly administrative expenses of

1 the Supplemental Low-Income Energy Assistance Fund may not
2 exceed 10% of the amount collected during that year pursuant to
3 this Section.

4 (b) Notwithstanding the provisions of Section 16-111 of the
5 Public Utilities Act but subject to subsection (k) of this
6 Section, each public utility, electric cooperative, as defined
7 in Section 3.4 of the Electric Supplier Act, and municipal
8 utility, as referenced in Section 3-105 of the Public Utilities
9 Act, that is engaged in the delivery of electricity or the
10 distribution of natural gas within the State of Illinois shall,
11 effective January 1, 1998, assess each of its customer accounts
12 a monthly Energy Assistance Charge for the Supplemental
13 Low-Income Energy Assistance Fund. The delivering public
14 utility, municipal electric or gas utility, or electric or gas
15 cooperative for a self-assessing purchaser remains subject to
16 the collection of the fee imposed by this Section. The monthly
17 charge shall be as follows:

18 (1) \$0.40 per month on each account for residential
19 electric service;

20 (2) \$0.40 per month on each account for residential gas
21 service;

22 (3) \$4 per month on each account for non-residential
23 electric service which had less than 10 megawatts of peak
24 demand during the previous calendar year;

25 (4) \$4 per month on each account for non-residential
26 gas service which had distributed to it less than 4,000,000
27 therms of gas during the previous calendar year;

28 (5) \$300 per month on each account for non-residential
29 electric service which had 10 megawatts or greater of peak
30 demand during the previous calendar year; and

31 (6) \$300 per month on each account for non-residential
32 gas service which had 4,000,000 or more therms of gas
33 distributed to it during the previous calendar year.

34 (c) For purposes of this Section:

35 (1) "residential electric service" means electric
36 utility service for household purposes delivered to a

1 dwelling of 2 or fewer units which is billed under a
2 residential rate, or electric utility service for
3 household purposes delivered to a dwelling unit or units
4 which is billed under a residential rate and is registered
5 by a separate meter for each dwelling unit;

6 (2) "residential gas service" means gas utility
7 service for household purposes distributed to a dwelling of
8 2 or fewer units which is billed under a residential rate,
9 or gas utility service for household purposes distributed
10 to a dwelling unit or units which is billed under a
11 residential rate and is registered by a separate meter for
12 each dwelling unit;

13 (3) "non-residential electric service" means electric
14 utility service which is not residential electric service;
15 and

16 (4) "non-residential gas service" means gas utility
17 service which is not residential gas service.

18 (d) At least 45 days prior to the date on which it must
19 begin assessing Energy Assistance Charges, each public utility
20 engaged in the delivery of electricity or the distribution of
21 natural gas shall file with the Illinois Commerce Commission
22 tariffs incorporating the Energy Assistance Charge in other
23 charges stated in such tariffs.

24 (e) The Energy Assistance Charge assessed by electric and
25 gas public utilities shall be considered a charge for public
26 utility service.

27 (f) By the 20th day of the month following the month in
28 which the charges imposed by the Section were collected, each
29 public utility, municipal utility, and electric cooperative
30 shall remit to the Department of Revenue all moneys received as
31 payment of the Energy Assistance Charge on a return prescribed
32 and furnished by the Department of Revenue showing such
33 information as the Department of Revenue may reasonably
34 require. If a customer makes a partial payment, a public
35 utility, municipal utility, or electric cooperative may elect
36 either: (i) to apply such partial payments first to amounts

1 owed to the utility or cooperative for its services and then to
2 payment for the Energy Assistance Charge or (ii) to apply such
3 partial payments on a pro-rata basis between amounts owed to
4 the utility or cooperative for its services and to payment for
5 the Energy Assistance Charge.

6 (g) The Department of Revenue shall deposit into the
7 Supplemental Low-Income Energy Assistance Fund all moneys
8 remitted to it in accordance with subsection (f) of this
9 Section.

10 (h) (Blank).

11 On or before December 31, 2002, the Department shall
12 prepare a report for the General Assembly on the expenditure of
13 funds appropriated from the Low-Income Energy Assistance Block
14 Grant Fund for the program authorized under Section 4 of this
15 Act.

16 (i) The Department of Revenue may establish such rules as
17 it deems necessary to implement this Section.

18 (j) The Department of Commerce and Economic Opportunity
19 ~~Community Affairs~~ may establish such rules as it deems
20 necessary to implement this Section.

21 (k) The charges imposed by this Section shall only apply to
22 customers of municipal electric or gas utilities and electric
23 or gas cooperatives if the municipal electric or gas utility or
24 electric or gas cooperative makes an affirmative decision to
25 impose the charge. If a municipal electric or gas utility or an
26 electric cooperative makes an affirmative decision to impose
27 the charge provided by this Section, the municipal electric or
28 gas utility or electric cooperative shall inform the Department
29 of Revenue in writing of such decision when it begins to impose
30 the charge. If a municipal electric or gas utility or electric
31 or gas cooperative does not assess this charge, the Department
32 may not use funds from the Supplemental Low-Income Energy
33 Assistance Fund to provide benefits to its customers under the
34 program authorized by Section 4 of this Act.

35 In its use of federal funds under this Act, the Department
36 may not cause a disproportionate share of those federal funds

1 to benefit customers of systems which do not assess the charge
2 provided by this Section.

3 This Section is repealed effective December 31, 2007 unless
4 renewed by action of the General Assembly. The General Assembly
5 shall consider the results of the evaluations described in
6 Section 8 in its deliberations.

7 (Source: P.A. 92-690, eff. 7-18-02; revised 12-6-03.)

8 (305 ILCS 20/17 new)

9 Sec. 17. Transfer into Supplemental Low-Income Energy
10 Assistance Fund. Immediately upon the effective date of this
11 amendatory Act of the 94th General Assembly, but no later than
12 5 business days after that effective date, the State
13 Comptroller shall direct and the Treasurer shall transfer into
14 the Supplemental Low-Income Energy Assistance Fund \$5,201,055,
15 which is equivalent to 50% of the average amount of Gas Revenue
16 Tax paid per residential gas utility customer in State fiscal
17 year 2005 multiplied by the number of residential gas utility
18 customers that received assistance from the Low Income Home
19 Energy Assistance Program during the State fiscal year 2005
20 winter heating season.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.